

**TEACHERS' FUND FOR RETIREMENT**  
**A Division of ND Retirement and Investment Office**  
**Balance Sheet**  
**As of 1/31/2003**

3/3/2003

	As of <u>1-31-03</u>	As of <u>6-30-02</u>
<b>ASSETS:</b>		
<b>INVESTMENTS (AT MARKET)</b>		
DOMESTIC EQUITIES	\$ 410,418,099	\$ 454,371,763
INTERNATIONAL EQUITIES	248,408,094	289,731,886
DOMESTIC FIXED INCOME	150,208,488	163,412,983
INTERNATIONAL FIXED INCOME	56,054,527	68,403,109
REAL ESTATE	106,984,629	105,982,182
VENTURE CAPITAL	50,307,014	40,322,264
INVESTED CASH (NOTE 1)	<u>15,116,258</u>	<u>25,684,813</u>
 TOTAL INVESTMENTS	 1,037,497,109	 1,147,909,000
 <b>RECEIVABLES</b>		
DIVIDEND/INTEREST RECEIVABLE	3,959,481	5,409,970
CONTRIBUTIONS/ASSESSMENTS REC	4,811,935	5,783,738
MISCELLANEOUS RECEIVABLE	<u>0</u>	<u>74,534</u>
 TOTAL RECEIVABLES	 8,771,416	 11,268,242
 <b>OTHER ASSETS</b>		
OPERATING CASH (NOTE 2)	6,359,985	7,248,921
DUE FROM OTHER AGENCIES (NOTE 3)	<u>4,379</u>	<u>0</u>
 TOTAL ASSETS	 <u>\$ 1,052,632,889</u>	 <u>\$ 1,166,426,163</u>
 <b>LIABILITIES:</b>		
ACCOUNTS PAYABLE	773,645	827,630
ACCRUED EXPENSES	81,171	219,170
DUE TO OTHER AGENCIES (NOTE 4)	<u>0</u>	<u>9,798</u>
 TOTAL LIABILITIES	 854,816	 1,056,598
 <b>NET ASSETS AVAILABLE:</b>		
NET ASSETS AVAILABLE BEGIN OF YEAR	1,165,369,565	1,290,662,140
CASH IN DURING YEAR (NOTE 5)	66,775,000	118,154,000
CASH OUT DURING YEAR (NOTE 6)	66,775,000	118,154,000
NET INCREASE (DECREASE)	<u>(113,591,492)</u>	<u>(125,292,575)</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>1,051,778,073</u>	 <u>1,165,369,565</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u>\$ 1,052,632,889</u>	 <u>\$ 1,166,426,163</u>

3/3/2003

**TEACHERS' FUND FOR RETIREMENT**  
**A Division of ND Retirement and Investment Office**  
**Profit and Loss Statement**  
**For the Month Ended 1/31/2003**

	Month Ended <u>1-31-03</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 1,788,604	\$ 21,911,132
SECURITIES LENDING INCOME	61,615	590,303
	<u>1,850,219</u>	<u>22,501,435</u>
 GAIN ON SALE OF INVESTMENTS	 11,032,114	 109,478,262
LOSS ON SALE OF INVESTMENTS	<u>14,552,279</u>	<u>148,332,063</u>
 NET GAINS (LOSSES) INVESTMENTS	 (3,520,165)	 (38,853,801)
 INVESTMENT EXPENSES	 133,575	 2,045,937
SECURITIES LENDING EXPENSES	46,780	477,817
SIB ADMINISTRATIVE EXPENSES	<u>7,605</u>	<u>69,164</u>
 NET INVESTMENT INCOME	 (1,857,906)	 (18,945,284)
 NET APPREC (DEPREC) MARKET VALUE	 (13,459,453)	 (82,788,195)
MISCELLANEOUS INCOME/(EXPENSE)	<u>(49,888)</u>	<u>3,227,948</u>
 TOTAL INVESTMENT INCOME	 (15,367,247)	 (98,505,531)
 CONTRIBUTIONS & ASSESSMENTS (NOTE 7)	 5,266,527	 27,483,384
PURCHASED SERVICE CREDIT (NOTE 8)	217,913	1,221,397
PENALTY & INTEREST (NOTE 9)	<u>1,150</u>	<u>1,306</u>
 TOTAL ADDITIONS	 <u>(9,881,657)</u>	 <u>(69,799,444)</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 10)	5,960,012	41,995,817
REFUNDS TO MEMBER (NOTE 11)	<u>173,716</u>	<u>1,224,848</u>
 TOTAL BENEFITS PAID	 6,133,728	 43,220,665
 ADMINISTRATIVE EXPENSES		
RIO ADMINISTRATIVE CHARGE	90,346	571,290
MISCELLANEOUS EXPENSES	<u>0</u>	<u>93</u>
 TOTAL ADMINISTRATIVE EXPENSES	 <u>90,346</u>	 <u>571,383</u>
 TOTAL DEDUCTIONS	 <u>6,224,074</u>	 <u>43,792,048</u>
 NET INCREASE (DECREASE)	 <u>\$ (16,105,731)</u>	 <u>\$ (113,591,492)</u>

**TEACHERS' FUND FOR RETIREMENT**  
**Notes To Financial Statements**  
**January 31, 2003**

3/3/2003

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1                    INVESTED CASH

Pension Cash Pool invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company.

NOTE 2                    OPERATING CASH

TFFR money market and checking accounts at the Bank of North Dakota.

NOTE 3                    DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4                    DUE TO OTHER AGENCIES

Amounts owed to RIO for administrative and direct costs charged.

NOTE 5                    CASH IN DURING YEAR

Cash transferred into investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 6                    CASH OUT DURING YEAR

Cash transferred out of investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 7                    CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 8                    PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

**TEACHERS' FUND FOR RETIREMENT**  
**Notes to Financial Statements**  
**1/31/2003**

3/3/2003

NOTE 9

PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 10

BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 11

REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.